Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/16/1960

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
BROOKSHIRE HOLDINGS, INC.

1600 W SOUTHWEST LOOP 323
TYLER, TX 75701

2b Employer Identification Number (EIN)
75-2894614

2c Sponsor's telephone number
903-534-3000

2d Business code (see instructions)
445110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	NATHAN WILLIAMSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
BROOKSHIRE HOLDINGS, INC.

1600 W SOUTHWEST LOOP 323
TYLER, TX 75701

3b Administrator's EIN
75-2894614

3c Administrator's telephone number
903-534-3000

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	8799
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	7977
b	Retired or separated participants receiving benefits	**6b**	42
c	Other retired or separated participants entitled to future benefits	**6c**	831
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	8850
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	41
f	Total. Add lines **6d** and **6e**	**6f**	8891
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	8673
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	326
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2H 2J 2K 2I 2O 3H 3I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).	2009
Department of Labor Employee Benefits Security Administration	▶ File as an attachment to Form 5500.	This Form is Open to Public Inspection.
Pension Benefit Guaranty Corporation		

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ING INSTITUTIONAL PLAN SERVICES

02-0488491

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ING INSTITUTIONAL PLAN SERVICES

02-0488491

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
25 64 99	RECORD KEEPER	483649	Yes [X] No [ ]	Yes [X] No [ ]	570	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: JP MORGAN STABLE ASSET INCOME FUND

b Name of sponsor of entity listed in (a): JP MORGAN

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-1978950-465	C	49356683

a Name of MTIA, CCT, PSA, or 103-12 IE: SSGA S&P 500 FLAGSHIP SL SERIES D

b Name of sponsor of entity listed in (a): STATE STREET GLOBAL ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-0025081-066	C	10976422

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4445061	4557349
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1475799	388919
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	14278100	15307665
(9) Value of interest in common/collective trusts	1c(9)	59458591	60333105
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	76258140	96574494
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	85892934	88044771
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	241808625	265206303
	Liabilities			
g	Benefit claims payable	1g	108373	25256
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	108373	25256
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	241700252	265181047

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	8957349	
	(B) Participants	2a(1)(B)	14428132	
	(C) Others (including rollovers)	2a(1)(C)	78157	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		23463638
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2595	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	805037	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		807632
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	854623	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		854623
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	11642642	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	11801806	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-159164

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	172401	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		172401
(6) Net investment gain (loss) from common/collective trusts	2b(6)		3581653
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		19670391
c Other income	2c		10463
d Total income. Add all **income** amounts in column (b) and enter total	2d		48401637
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	24411937	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		24411937
f Corrective distributions (see instructions)	2f		25256
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	483649	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		483649
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		24920842
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		23480795
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SQUYRES, JOHNSON AND SQUYRES (2) EIN: 75-0699590

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
BROOKSHIRES EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3581074 04-3253929

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

SQUYRES, JOHNSON, SQUYRES & CO., L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
(903) 597-2021 MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FAX (903) 597-2020
821 ESE LOOP 323, SUITE460
TYLER, TEXAS 75701

INDEPENDENT AUDITOR'S REPORT

Plan Committee
Brookshires Employee Stock Ownership and 401k Plan
Tyler, Texas

We were engaged to audit the financial statements of Brookshires Employee Stock Ownership and 401k Plan (the Plan) as of December 31, 2009 and 2008, and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Texas Bank & Trust and Benefit Trust, agent for State Street Bank and Trust Company, trustees of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the trustee and agent on behalf of the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee and agent for the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Squyres, Johnson, Squyres & Co, LLP
Certified Public Accountants

Tyler, Texas
October 12, 2010

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008
(With Independent Auditor's Report Thereon)

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

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DECEMBER 31, 2009 AND 2008

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TYLER, TEXAS 75701

INDEPENDENT AUDITOR'S REPORT

Plan Committee
Brookshires Employee Stock Ownership and 401k Plan
Tyler, Texas

We were engaged to audit the financial statements of Brookshires Employee Stock Ownership and 401k Plan (the Plan) as of December 31, 2009 and 2008, and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Texas Bank & Trust and Benefit Trust, agent for State Street Bank and Trust Company, trustees of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees held the Plan's investment assets and executed investment transactions. The plan administrator has obtained a certification from the trustee and agent on behalf of the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee and agent for the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Squyres, Johnson, Squyres & Co, LLP
Certified Public Accountants

Tyler, Texas
October 12, 2010

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

Statement of Net Assets Available for Benefits

December 31, 2009 and 2008

	2009	2008
Assets		
Investments (at fair value)	$ 260,724,846	$ 237,363,564
Receivables		
Employer contributions	4,557,349	4,445,061
Liabilities		
Refund of excess contributions	(25,256)	(108,373)
Net Assets Available for Benefits	$ 265,256,939	$ 241,700,252

The accompanying notes are an integral part of these financial statements.

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2009 and 2008

	2009	2008
Additions to net assets attributed to:		
Investment income		
Net appreciation (depreciation) in fair value of investments (Note C)	$ 23,275,744	$ (38,482,407)
Interest	807,632	986,670
Dividends	854,623	381,451
Total investment income	24,937,999	(37,114,286)
Contributions		
Employer contributions		
Cash	7,457,390	11,738,844
Stock contribution (29,585 shares of Brookshire's Holding Company, at estimated fair value)	1,499,959	-
Employee	14,506,289	15,412,372
Total contributions	23,463,638	27,151,216
Transfers In (Out)	12,269	(265,214)
Total additions	48,413,906	(10,228,284)
Deductions from net assets attributed to:		
Benefits paid to participants	24,348,314	22,226,564
Corrective distributions	25,256	108,373
Administrative expenses	483,649	268,520
Total deductions	24,857,219	22,603,457
Net increase (decrease)	23,556,687	(32,831,741)
Net assets available for plan benefits		
Beginning of year	241,700,252	274,531,993
End of year	$ 265,256,939	$ 241,700,252

The accompanying notes are an integral part of these financial statements.

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE A – PLAN DESCRIPTION

The following brief description of the Brookshire's Employee Stock Ownership and 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

Brookshire Holdings, Inc. (Company) established the Brookshire's Employee Stock Ownership and 401(k) Plan effective as of April 1, 2002, which was an amendment and restatement of the prior plan. The Plan is a stock bonus plan under Code Section 401(a) and an employee stock ownership plan (ESOP) as defined in Code Section 4975(e)(7) and is designed to comply with these sections and regulations thereunder of the Internal Revenue Code of 1986, as amended. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Eligibility

The Plan covers full-time employees at least 18 years of age with 90 days of service and part-time employees at least 21 years of age with one year of service. Participation is mandatory.

Contributions

The Company will generally match 50% of the first 4% contributed by the participant. However, matching contributions may be reduced or eliminated if the Company's profits are insufficient as defined by the plan document. Additional amounts may be contributed at the discretion of the Company's board of directors.

In order to be eligible for a matching contribution, a participant must contribute to the Plan during that year, be employed by the Company on the last day of that year, retire from the Company, or become disabled or deceased while employed by the Company during that year. In 2008, one-half of the matching contribution was credited to the participant's 401(k) Match Account in the 401(k) Plan and the other one-half was credited to the participant's ESOP Match Account in the ESOP. In plan year 2009, all of the matching contribution was credited to the participant's ESOP Match Account in the ESOP.

Participants may elect to make a pre-tax contribution to the Plan that is not less than 1% or more than 50% of his/her compensation for the year, up to the limit set by law. In addition to or in lieu of pre-tax contributions, participants may elect to make an after-tax contribution to the Plan that is not less than 1% nor more than 20% of his/her compensation for the year. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions.

NOTE A – PLAN DESCRIPTION (cont'd)

Payment of Benefits

Upon termination of service, participants whose plan benefits are less than $1,000 will receive a lump-sum distribution equal to the value of his or her account. A participant with an account value of $1,000 or more may elect to receive either a lump-sum amount, or upon retirement, death or disability a series of monthly, quarterly, semi-annual or annual installments for a period of 2 years to life expectancy of participant of joint life expectancy of participant and the beneficiary. A participant's balance in their ESOP account will be distributed in cash unless an election is made to receive such distribution in the form of whole shares of Company stock. Fractional shares will be paid in cash.

Voting Rights

All shares of Company stock shall be voted by the Trustee as directed by the Committee (as appointed by the Company's Board of Directors). However, in limited circumstances as set forth in the plan document, each participant may have the right to direct the voting of any Company stock allocated to his or her discretionary and matching Company stock accounts. Any Company stock not allocated to a participant's account shall be voted as the Committee directs.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

Participant Accounts and Forfeitures

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited with the participant's contributions, the Company's matching contributions, and an allocation of the Company's discretionary contributions. Allocations of the Company's discretionary contributions are based upon the employees' compensation. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation. At each valuation date, the fair market value of all assets of each of the investment funds is determined and each participant's account is credited with his/her share of assets based upon the participant's investment election. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

NOTE A – PLAN DESCRIPTION (cont'd)

Participant Accounts and Forfeitures (cont'd)

Forfeitures of terminated employees non-vested account balances allocated to remaining participants at December 31, 2009 and 2008 totaled $197,409 and $255,616, respectively. Forfeiture allocations are based on the ratio that the participant's compensation bears to total participant compensation for that plan year.

Vesting

Participants are immediately vested in their contributions (before and after-tax and rollovers) plus actual earnings thereon. Vesting in the remainder of the accounts is based on years of continuous service. If a participant is credited with an hour of service after December 31, 2001, he/she is 100% vested after three years of service. If a participant is not credited with an hour of service after December 31, 2001, he/she is 100% vested after five years of service.

Put Option

Under Federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Participants cannot borrow from the amounts credited to their ESOP account. Loan terms are a maximum of five years, or fifteen years for the purchase of a principal residence. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Repayment is made through payroll deduction.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through October 12, 2010, which is the date the financial statements were available to be issued.

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The common stock of Brookshire's Holdings, Inc. is valued at estimated fair value. See Note E for discussion of fair value measurements.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

Payment of operating expenses of the Plan is the responsibility of the Plan; however, Brookshire Grocery Co. absorbs a portion of legal, accounting, facility costs, record keeping and loan fees.

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE B - SUMMARY OF ACCOUNTING POLICIES (cont'd)

Reclassifications

Certain reclassifications have been made to the 2008 summarized financial statement information to conform to the current year presentation. These reclassifications had no effect on the increase in net assets for 2008.

NOTE C – INVESTMENTS

Investments that represent 5% or more of the Plan's net assets at December 31, 2009 and 2008 are separately identified with an asterisk (*) below. The information below was certified for completeness and accuracy by the Plan's trustees.

Investments at Fair Value as Determined by Quoted Market Prices	**2009**		**2008**	
Common Collective Trusts				
SSGA Com S&P 500 Series D (CCT)	$ 10,976,422		$ 7,708,951	
SSGA Par Fund (CCT)	-		14,388,525	*
JP Morgan Stable Asset Income Fund Select (CCT)	49,356,683	*	37,413,588	*
Mutual Funds				
Dodge & Cox Income Fund	32,054,060	*	30,539,619	*
GS Fund Group Small Cap Val - Inst	14,023,808	*	8,914,306	
Van Kampen American Cap Growth & Income	12,648,815		9,198,355	
Julius Baer Funds International Equity Fund	-		9,627,468	
Morgan Stanley Inst Fund Small Co. Growth Port	6,578,051		2,798,602	
Legg Mason Partners Investment Trust	-		15,127,317	*
**Blackrock Tempfund Inst'l #024	381,266		1,475,799	
Montag & Caldwell Large Cap Growth	19,012,051	*	-	
Artio International Equity	12,257,709		-	
Investments at Estmated Fair Value				
Common Stocks - Party-In-Interest				
**Brookshire Holdings, Inc. (1,752,054 and 1,707,613 shares 2009 and 2008)	88,128,316	*	85,892,934	*
Loans to Participants	15,307,665	*	14,278,100	*
Total Investments at Fair Value	$ 260,724,846		$ 237,363,564	
Net Investment Income:				
Participant Directed	$ 24,067,546		$ (28,014,755)	
Non-Participant Directed	870,453		(9,099,531)	
	$ 24,937,999		$ (37,114,286)	

**Nonparticipant-directed

NOTE C – INVESTMENTS (cont'd)

During 2009 and 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by $23,275,744 and ($38,482,407) as follows:

	Year Ended December 31, 2009	2008
Mutual funds and CCT's	$ 23,262,508	$ (28,984,378)
Common stock – party-in-interest	13,236	(9,498,029)
Net change in fair value	$ 23,275,744	$ (38,482,407)

NOTE D - NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

	December 31, 2009	December 31, 2008
Net Assets:		
Money Market Funds	$ 381,266	$ 1,475,799
Employer Contribution Receivable	4,557,349	2,222,526
Common Stock - Brookshire Holdings, Inc.	88,128,316	85,892,934
Total Net Assets	$ 93,066,931	$ 89,591,259

	Year Ended December 31, 2009
Changes in Net Assets:	
Employer contributions	$ 8,957,349
Net appreciation (depreciation)	13,236
Dividends	854,623
Interest	2,595
Other transfers, disbursements, and forfeitures	13,506
Benefits paid to participants	(6,365,637)
Total changes in net assets	$ 3,475,672

NOTE E – FAIR VALUE INVESTMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE E – FAIR VALUE INVESTMENTS (cont'd)

The following tables present fair value measurement information for certain financial instruments. The carrying values of receivables and refund of excess contribution payable included in the accompanying statement of net assets available for benefits approximated fair value at December 31, 2009 and 2008, and are thus not included in the following table.

	Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
December 31, 2009			
Money Market (Mutual Fund)	$ 381,266	$ 381,266	$ -
Common Collective Trust (Mutual Fund)	60,333,105	60,333,105	-
Mutual Funds	96,574,494	96,574,494	-
Common Stock - Related Party	88,128,316	-	88,128,316
Participant Loans	15,307,665	-	15,307,665
Total	$ 260,724,846	$ 157,288,865	$ 103,435,981
December 31, 2008			
Money Market (Mutual Fund)	$ 15,864,324	$ 15,864,324	$ -
Common Collective Trust (Mutual Fund)	7,708,951	7,708,951	-
Mutual Funds	113,619,255	113,619,255	-
Common Stock - Related Party	85,892,934	-	85,892,934
Participant Loans	14,278,100	-	14,278,100
Total	$ 237,363,564	$ 137,192,530	$ 100,171,034

NOTE E – FAIR VALUE INVESTMENTS (cont'd)

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year end.

Level 3 Fair Value Measurements

Brookshire Holdings, Inc. stock is not actively traded; however, the fair value of the Brookshire Holdings, Inc. common stock was valued based upon an independent appraisal performed for the ESOP. The most recent determination was made as of September 30, 2009. The fair value of participant loans approximates the amortized cost of the loans because the loans are secured by each respective participant's account balance. The following table provides further details of the Level 3 fair value measurements.

NOTE E – FAIR VALUE INVESTMENTS (cont'd)

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Common Stock Related Party	Participant Loans
December 31, 2009		
Beginning balance	$ 85,892,934	$ 14,278,100
Total gains or losses (realized or unrealized) included in changes in net assets available for benefits	13,236	-
Purchases, issuances, and settlements (net)	2,222,146	1,029,565
Ending balance	$ 88,128,316	$ 15,307,665
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	$ 13,236	
December 31, 2008		
Beginning balance	$ 92,537,643	$ 14,304,240
Total gains or losses (realized or unrealized) included in changes in net assets available for benefits	(9,649,180)	-
Purchases, issuances, and settlements (net)	3,004,471	(26,140)
Ending balance	$ 85,892,934	$ 14,278,100
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	$ 9,649,180	

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2009 and 2008, are reported in net appreciation (depreciation) in fair value of investments.

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

NOTE F - RELATED PARTY TRANSACTIONS

The Plan is administered through Brookshire Grocery Company and a portion of administrative costs are absorbed by the Company. The Plan owns Brookshire Holdings, Inc. common stock. The following is a summary of the transactions related to the stock for 2009 and 2008:

	Year Ended December 31	
	2009	2008
Appreciation/(depreciation) in stock value	$ 13,236	$ (9,498,029)
Dividends	854,623	381,451
Stock purchase (44,441 and 56,131 shares)	2,222,050	3,224,270
Stock distributions (0 and 3,733 shares)	-	208,675

The stock was purchased from members of the Brookshire family and their related interests who own Brookshire Holdings, Inc. Brookshire family members and their related interests owned 67% of the company stock as of December 31, 2009.

NOTE G – RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by State Street Bank & Trust. State Street Bank & Trust is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE H - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

The Plan's financial instruments at December 31, 2009 and 2008 consist of the following:

	2009	2008
Money Market Mutual Funds	$ 381,266	$ 15,864,324
Contributions Receivable	4,557,349	4,445,061
Loans to Participants	15,307,665	14,278,100
Common Stock-Party-in-interest	88,128,316	85,892,934
Mutual Funds	96,574,494	113,619,255
Common Collective Trust Fund	60,333,105	7,708,951

Money Market investments at December 31, 2009 consist of $381,266 held in Blackrock Tempfund Inst'l #024. Money Market investments at December 31, 2008 consisted of $1,475,799 held in Blackrock Tempfund Inst'l #024 and $14,388,525 held in SSGA Par Fund for a total investment of $15,864,324. The Plan owns Brookshire Holdings, Inc. Stock valued at $88,128,316 at December 31, 2009 and $85,892,934 at December 31, 2008. The Company operates a profitable chain of stores in Texas, Louisiana, Mississippi and Arkansas. Mutual and common trust funds are structured to provide diversification and are subject to fluctuations due to market conditions and the performance of the companies in which they are invested. Loans are to participants of the Plan who are also employees or former employees of the Company. Loans are secured by the participant's contributions and earnings on those contributions. In the event of default, the loan will be considered a withdrawal from that portion of the participant's account.

NOTE I - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE J - TAX STATUS

The Plan obtained its latest determination letter on November 12, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE K – RECONCILIATION OF FINANCIAL STATEMENTS TO 5500

The following is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2009 to Form 5500:

	2009
Net assets available for benefits per the financial statements	$ 265,256,939
Amounts allocated to withdrawing participants	(75,892)
Net assets available for benefits per Form 5500	$ 265,181,047

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2009, to Form 5500:

Benefits paid to participants per the financial statements	$ 24,348,314
Transfers In (Out)	(12,269)
Add: Amounts allocated to withdrawing participants At December 31, 2009	75,892
Benefits paid to participants per Form 5500	$ 24,411,937

SUPPLEMENTAL SCHEDULE

EIN #75-0865842
Plan #001

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN
Schedule of Assets Held for Investment Purposes At End of Year, As Reported by Trustee
Form 5500 Schedule H Part IV Item 4i
December 31, 2009

SCHEDULE "1"

	(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d)Cost		(e)Current Value	
		Investments at Fair Value:					
*		SSGA Commingled S&P 500 Series D	Common collective trust			$ 10,976,422	
		JP Morgan Stable Asset Income Fd Select	Common collective trust			49,356,683	
		Blackrock Tempfund Instl #024	Registered investment company - mutual fund	$ 381,266	**	381,266	**
		Dodge & Cox Income Fund	Registered investment company - mutual fund			32,054,060	
		Morgan Stanley Inst Fund Small Company Growth Portfolio	Registered investment company - mutual fund			6,578,051	
		Goldman Sachs Fund Group Small Cap Value - Institutional	Registered investment company - mutual fund			14,023,808	
		Van Kampen American Capital Growth & Income	Registered investment company - mutual fund			12,648,815	
		Montag & Caldwell Large Cap Growth Collective Investment Fund	Registered investment company - mutual fund			19,012,051	
		Artio International Equity	Registered investment company - mutual fund			12,257,709	
		Total Investments at Fair Value				**157,288,865**	
		Investments at Estimated Fair Value:					
*		Common Stocks	Brookshire Holdings, Inc. 1,752,054 shares Brookshire Holdings, Inc. has right of first refusal on any transfers	34,330,428	**	88,128,316	**
*		Participant loans	Interest rate - 4.00% - 9.50%	-		15,307,665	
		Total Investments at Estimated Fair Value				**103,435,981**	
		Total Assets Held for Investment Purposes				**$ 260,724,846**	

Column (d) is not required for plan investments that are participant directed and participant loans have no cost basis

* Party-in-Interest

** Non-participant Directed

EIN #75-0865842
Plan #001

BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

SCHEDULE "1"

Schedule of Assets Held for Investment Purposes At End of Year, As Reported by Trustee
Form 5500 Schedule H Part IV Item 4i
December 31, 2009

	(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d)Cost		(e)Current Value	
		Investments at Fair Value:					
*		SSGA Commingled S&P 500 Series D	Common collective trust			$ 10,976,422	
		JP Morgan Stable Asset Income Fd Select	Common collective trust			49,356,683	
		Blackrock Tempfund Instl #024	Registered investment company - mutual fund	$ 381,266	**	381,266	**
		Dodge & Cox Income Fund	Registered investment company - mutual fund			32,054,060	
		Morgan Stanley Inst Fund Small Company Growth Portfolio	Registered investment company - mutual fund			6,578,051	
		Goldman Sachs Fund Group Small Cap Value - Institutional	Registered investment company - mutual fund			14,023,808	
		Van Kampen American Capital Growth & Income	Registered investment company - mutual fund			12,648,815	
		Montag & Caldwell Large Cap Growth Collective Investment Fund	Registered investment company - mutual fund			19,012,051	
		Artio International Equity	Registered investment company - mutual fund			12,257,709	
		Total Investments at Fair Value				**157,288,865**	
		Investments at Estimated Fair Value:					
*		Common Stocks	Brookshire Holdings, Inc. 1,752,054 shares Brookshire Holdings, Inc. has right of first refusal on any transfers	34,330,428	**	88,128,316	**
*		Participant loans	Interest rate - 4.00% - 9.50%	-		15,307,665	
		Total Investments at Estimated Fair Value				**103,435,981**	
		Total Assets Held for Investment Purposes				**$ 260,724,846**	

Column (d) is not required for plan investments that are participant directed and participant loans have no cost basis

* Party-in-Interest

** Non-participant Directed